

Mayor and Council Communication

DATE: 01/10/23

M&C FILE NUMBER: M&C 23-0047

LOG NAME: 60 WATER CONTRACT AMENDMENT -THE TOWN OF NORTHLAKE, TX

SUBJECT

(CD 2 and CD 7 / Future CD 10) Authorize Execution of Amendment No. 1 to the Wholesale Water Contract with the Town of Northlake to Provide for Increased Capacity Needed by Town of Northlake from the Northside II Water System, Provide for Fort Worth Cost Participation in an Amount Not to Exceed \$984,218.57 and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Amendment No. 1 to the wholesale water contract with the Town of Northlake, City Secretary Contract No. 41103, to provide for increased capacity and an additional meter station with Fort Worth’s cost participation, in an amount not to exceed \$984,218.57, for design, survey, and easement acquisition cost of improvements to the Northside II water system with new 24-inch Water Main; and
2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the W&S Rev Bonds Series 2021 Fund by increasing receipts and appropriations in the NSII 24” WTM Exten. Northlake project (City Project No. 103968) in the amount of \$984,219.00, and decreasing receipts and appropriations in the CFA Bucket programmable project (City Project No. P00001) by the same amount to effect a portion of Water’s contribution to the Fiscal Years 2023-2027 Capital Improvement Program.

DISCUSSION:

The Town of Northlake (Northlake), a wholesale water customer city (City Secretary No. 41103), is experiencing increased growth and demand for additional water. Pursuant to the contract, Northlake may request additional connection points and water supplies. The contract also provides that each city shall bear certain costs for such expansion. This Amendment No. 1 will upgrade the existing 24-inch Northside II water main system to provide such additional capacity to allow Northlake to establish a new connection point (Project). The Project includes design, survey and construction cost participation for 24-inch Northside II line under terms agreed to by the parties, creating a new Exhibit F to the contract. The contract will be further revised by adding an Exhibit A-1 which will restate the existing connection points and depict the new connections. When the Project is complete, Fort Worth will deliver an additional 2 million gallons per day (MGD) to Northlake for a total of 3.63MGD at existing meter# 1 and the new connection point, Northlake #2, will have a capacity of 5 MGD. When design is completed, Northlake will publicly procure the construction project. Under the wholesale contract, Fort Worth will also participate in the construction costs. Participation is currently estimated to be the amount of \$3,290,621.59 or about 45.14% of the costs to improve the Northside II line. A Mayor and Council Communication (M&C) for funding will be brought forward at the appropriate time. The second point of connection to the water main and associated meter station improvements will be 100% Northlake’s cost.

Northlake will pay Fort Worth an additional Water Main Capacity Charge (WMCC) as per the contract. The table below describes the anticipated capacity increases and the associated design, easements, and construction cost participation

Wholesale Customer	Requested Capacity MGD	Total New Capacity	Cost Participation Percentage (%)	Estimated Project Management, Survey, Easements Cost for the NS II 24-inch Water Main	Estimated Construction Cost
Town of Northlake Ph 1 at existing Meter#1	2MGD	3.63MGD	54.86%	\$1,196,150.43	\$3,999.191.41
Fort Worth 24-inch PH1 (12.76 MGD - 7MGD)	N/A	5.76MGD	45.14%	\$984,218.57	\$3,290,621.59
Town of Northlake Ph 2 at proposed Meter# 2	5MGD	5MGD	100%	\$0	Cost not yet estimated

It is the practice of the Water Department to appropriate its CIP plan throughout the fiscal year, instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants. The actions in the M&C will appropriate funds in support of the Water's portion of the City of Fort Worth's Fiscal Years 2023-2027 Capital Improvement Program, as follows:

60UNIFORM WATER CONTRACT AMENDMENT WITH THE CITY OF HASLET, TX

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
W&S Rev Bonds Series 2021 – Fund 56019	NSII 24" WTM Exten. Northlake – 103968	\$0.00	This M&C	\$984,219.00	\$984,219.00

Funding is budgeted in the CFA Bucket programmable project within the W&S Rev Bonds Series 2021 Fund for the purpose of funding the NSII 24" WTM Exten. Northlake project as appropriated.

Appropriations for the NSII 24" WTM Exten. Northlake project are as depicted below

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2021 Fund 56019	\$0.00	\$984,219.00	\$984,219.00
Project Total	\$0.00	\$984,219.00	\$984,219.00

The reimbursement of the participation, excluding inspection and material testing fees, is not a lump-sum amount and may be different than the stated amount depending upon the actual quantities and unit prices from the Notice of Final Completion package, commonly referred to as the Green Sheet package.

This development is located in Council District 2, 7

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: the Town of Northlake

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the CFA Bucket programmable project within the W&S Rev Bonds Series 2021 Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Rev Bonds Series 2021 Fund for the NSII 24" WTM Exten. Northlake project to support the above recommendations and execution of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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